THE RECORDS OF ASSIGNMENTS

OF

PATENT PROPERTY

And their relation to the prosecution and examination of applications for patent

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A paper read May 28, 1914, before the Examining Corps of the United States Patent Office

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Chief of Assignment Division,
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Assignments of Patents

Section 4898 of the Revised Statutes provides that:

> "Every patent or any interest therein shall be assignable in law by an instrument in writing; and the patentee or his assigns or legal representatives may, in like manner, grant and convey an exclusive right under his patent to the whole or any specified part of the United States. An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof."

RECORD BOOKS.

In order to comply with said law the Patent Office has provided books for the record of such assignments as may be presented, and the assignment records of the Patent Office are intact from 1837 to the present date. In 1836 the entire records of the Patent Office were destroyed in a fire, and that is the reason why the records of assignments prior to 1837 are not in existence.

The books provided for the record of assignments are designated "Transfers of Patents," and contain 500 pages each, in alphabetical series, numbered from 1 to 94, and therefore the designation where an instrument is recorded is referred to by letter and number, as, for example, Liber H 77; W 76; or A 75, etc.

Since 1837 to the present date there are over 2470 of these record books. It would therefore be an endless task to make a search of these volumes to ascertain the title to a patent; so it was necessary to have a separate index in which searches could be readily made, and such books were provided and designated "Digest of Assignments," in which there is an index of each instrument under the name of the inventor only, and consequently it is necessary to know the name of the inventor of the particular patent, application or invention under which a search is to be made, in order to make such a search.

INDEXING AND BRIEFING.

Prior to 1870 these indexes were made from party to party, as are records of transfers of realty, but it was found that if any particular paper in a chain of title was not recorded, all subsequent assignments under the same patent were lost in making a search. Therefore in 1870 a special appropriation was obtained from Congress that new indexes might be made under the *name of the inventor,* and such indexes and digests were made by the clerks of the Patent Office working outside of Office hours, and in due time a full set of digests were made and were accessible to the public for searches, and said system of indexing under the name of the inventor has been carried out to the present date.

These digests contain the name of the inventor; the assignor or the party who gives or grants the rights in the assignment; the assignee, purchaser or beneficiary in the assignment; the date of the writing; the date of its record; the description or identification of the invention, application or patent transferred which is recited in the assignment itself; a brief description or digest of the interests or rights transferred; designation where the same is fully recorded; when the original was returned, and to whom. This digest is particularly full and clear, being a brief description of the essentials of the instrument, so that one searching the records may find spread upon such digest a condensed description of the writing.

Digesting is one of the important branches of the work done in the Patent Office and its value is inestimable. Into this work enter analysis, analogy, logic, common sense and office precedent. There are no written rules in making these digests, the deeds being so diverse as to render rules of little value. Years ago the digesting was done in a most informal manner, being little more than an index, but for many years past, and especially since the inauguration of a new system in 1898, of briefing on sheets preparatory to revision, alteration and copying into the Digest books, it would be difficult to find a more concise, correct and accessible record and index from which searches can be made.

These briefs are copied to form certified "Abstracts of Title" for use in the courts, and are constantly being

searched by attorneys and others interested in patents, and without the "Digest of Assignments" their work would be not only difficult and voluminous, but the expense thereof would be very largely increased.

At the present time there are 478 of such Digests of Assignments. They are separated alphabetically in the 26 letters of the alphabet, to contain briefs of deeds under the initial letter of the surname of the inventor. Consequently in making a search you would ask for the books under the initial of surname, from a certain date, at least two years prior to the date of filing the application for the patent, to cover the term that the application may have been pending and to obtain access to any assignments recorded prior thereto. In each of these volumes is a separate and detachable index, and this index is made under the *given names of the inventor*, and under the first vowel of the surname.

SEARCHING.

If it be desired to ascertain whether any assignments under the name of John Wesley Richardson are of record, you obtain the books labeled *R*, turn to the index of first name, in this search under the letter *J* and you will find thereunder the combinations Ra, Re, Ri, Ro, Ru, and Ry, so that it is only necessary in making the search for the name of John Wesley Richardson to look under the combination Ri, and if there be any assignments in that volume under said inventor's name, the number of the page will be opposite his name, and if the name John Wesley Richardson does not appear in this combination it is certain that no assignments from him or under his patents are of record in said book. Surnames beginning with a vowel and having no other vowel are indexed as if the initial stood for the first letter of the surname and also as the vowel, as, for example, Erp, Olds, etc. will be found in the combination E-e, O-o, respectively.

It will be apparent that searches are by this system of indexing materially shortened, and that the information sought is particularly accessible.

Under the system of indexing only under the name of the inventor, instruments from an assignee to a third assignee, and from said party to others, will be found under the name of the inventor, and not from party to party, as before mentioned.

Following the regular index of names of sole inventors there is found an index of *joint inventors*, together with names of firms and corporations that are registrants of trade-marks, labels or prints.

Under this system of indexing it is a prerequisite that each deed recite specifically the full name of the inventor or registrant of each invention, application, patent, design, trade-mark, label or print affected by said writing, that a definite index may be made under each name; but frequently a deed that should be recorded fails to contain such identification, for instance, a deed from a company of all its patents, etc., without enumerating same.

This situation necessitated a special index for such papers, and therefore additional indexes were prepared and designated "Irregular Transfers."

Instruments that do not recite the name of the inventor or registrant, or for other reasons are irregular, are indexed among the "Irregular Transfers," under the name of each person, firm, corporation or court, etc., named in instrument, and in making searches it is therefore necessary to continue the search in this index of "Irregular Transfers" under the names of all parties that are found in the search among the regular deeds, in order to have access to such unidentified deeds as may have been made and recorded by any of the owners disclosed by the search.

There are of record in the Assignment Division of the Patent Office all sorts of instruments in relation to the title to inventions, applications, patents, designs, trademarks, labels and prints; such as assignments, licenses, agreements, liens, mortgages, shoprights, decrees of court in relation to title, and other papers. It can be readily appreciated that from such a variety of writings there are a number of very informal writings presented for record, and much difficulty is experienced in intelligently spreading such instruments upon the digest of assignments, so that searches therein may disclose all papers that might in any way affect or relate to the subject matter of the search.

Searches among these records should be made by the examiners when applications are formally abandoned

and when interferences are declared, to ascertain in the former case whether or not the consent to abandonment by an assignee is necessary; and in the latter case to ascertain the address of assignee, to whom notices of interference may be mailed. It frequently occurs that the recorded assignment does not recite the special address of the assignee and in such cases letters should be addressed to assignee in care of the attorney who forwarded the assignment for record.

IDENTIFICATION AND PROPORTION ASSIGNED.

The inquiry has often been made why there cannot be an index under the numbers of the patents, as there is in most all other record offices in plat books, so that a person might at once see who owns a particular patent; but the answer to this question is that there are of record in the Office many instruments that *may* affect title indirectly or equitably, but do not specifically refer directly thereto. It is a common practice for inventors preparatory to even making an application for patent for their inventions, to solicit and obtain the aid of capitalists, and to secure the latter there is drawn an agreement or a transfer that the whole or a certain portion of said invention, after it becomes a patent, will be, or is transferred to the party furnishing the money to develop the invention.

It will be apparent that at this time no identification of the invention is possible, inasmuch as the invention is probably only in the mind of the inventor, and has not even yet been reduced to writing in order to apply for a patent, and therefore there is no data or other means of referring to the invention except by its mere name. If such an instrument be found of record the courts might hold that it would be at least a lien or an equitable transfer of the invention that may become a patent, but should a patent be granted such an instrument would be in the nature of an executory contract and the party who has put up the money for the development of the invention, if denied a legal deed, has the right to go into court, if necessary, and compel a legal transfer from the inventor. In a number of transfers in which an inventor assigns a particular patent or application, specifically identifying same, there is also transferred "all improvements that I may make thereon" or "all improvements which I may

make in the same class of invention." This has been construed to grant at least an equitable interest in any further or future inventions that the inventor may make, and in making searches under a particular patent such writings as above must be taken into consideration and weighed, in order that the rights of the parties mentioned may be determined.

Experience in the Assignment Division of the Patent Office has made me appreciate the extreme carelessness displayed in drawing up instruments in writing affecting the title to patents or applications. In fact some of the papers presented for record show evidence of almost, I might say, criminal carelessness. No sane person in drawing up a deed of real estate would fail to recite the metes and bounds of the property, as that would seem to be the first essential, but many instruments are presented for record in the Patent Office that have no identification whatever. It will be appreciated what an assignment would amount to for instance, if Thomas A. Edison should transfer an electrical invention "for which I am about to make application" without any other identification, inasmuch as Mr. Edison is a prolific inventor, having filed many applications and obtained many patents for improvements in electrical subjects.

Identification of the application or patent transferred is of the utmost importance. The rules provide that if the assignment be dated subsequently to the application, the assignment must identify the application by date of execution, date of filing or serial number of the application, "so that there can be no mistake as to the particular invention intended"—Rule 26.

If the application and assignment be executed on the same date, the assignment should identify the application as "executed of even date herewith," that there may be certainty as to the particular invention and application affected.

If more than one application for the same class of invention be executed upon the same date, care should be exercised to designate each by some arbitrary symbol, that each may be perfectly identified if it be desired to assign either of them. Such applications may be designated by letters, as, for example, "Case A," "Case B,"

"Case C," etc., or by numerals, as, for example, "Case 1," "Case 2," etc.

In the decision *Ex Parte* Williamson, 88 Official Gazette, 2065, the Commissioner says:

> "It is possible that the assignment mentioned above has reference to the invention covered by application No. —; but there is no certainty of this, and in such matters the Office requires certainty and not mere probability to justify its action."

The proportion of interest transferred should also be carefully and correctly recited. If an inventor has transferred a part of his interest to one party and desires to sell to another party a part interest, the proportion to each should be designated as a certain part of the *whole and entire interest*, rather than as a portion of "my interest."

If two transfers, dated on the same date, sell to each of two parties "one-quarter of *my* right, title and interest," it cannot be determined which writing was first executed, thereby transferring one-quarter of the *whole* interest, or which was thereafter executed, thereby transferring one-quarter of the *remaining* interest. If each writing transferred "one-quarter of the *entire right, title and interest*" the proportion assigned to each would be definite.

REQUEST TO ISSUE PATENT TO ASSIGNEE.

A number of decisions hold that an assignment of an unpatented invention which fails to make a request that should a patent be granted upon the application transferred, it issue to the assignee for his interest, is merely an executory contract and does not transfer legal title.

In the decision Harrison v. Morton, Court of Appeals of Maryland, 83 Md. 476; 76 Official Gazette, 1275, before Judges McSherry, Bryan, Page, Russum, Boyd and Fowler; Judge Fowler says:

> "It follows from what Chief Justice Taney says in Gaylor vs. Wilder (10 How. 480), that prior to the issue of Letters Patent to the inventor he has an imperfect inchoate right to its use, which he

> may perfect and make absolute by taking the steps required by law, and especially by having Letters Patent issued to him; or he may by an assignment of this inchoate right, coupled with a request to issue letters to his assignee in compliance with Rule 26 of the Patent Office, transfer to such assignee a legal title to such invention. The legal title passes to the assignee under such an assignment, because he has under it, as the inventor had by law, the right to secure letters in his own name. But the only way in which such letters, which are the evidence of a perfect legal title, can be secured by the assignee, is by request of the inventor first, and of his assignees, as the case may be, expressed in the assignment * * * The general rule seems to be that an assignment without request conveys only an equitable title."

Therefore in all assignments of pending applications it would seem to be absolutely necessary that the writing contain a request that the Commissioner of Patents issue any patent that might be granted thereon, to the assignee for his interest. About seven out of ten assignments presented for record contain such a request, and when the patents are granted upon applications, the assignments whereof do not contain such a request, there is invariably a complaint that the patent has not issued to the assignee, but such complaint is too late, inasmuch as the rules provide that the request must be "embodied in the assignment," which assignment must be recorded in the Patent Office before or at a date not later than that on which the final fee in the application is paid, in order to have the patent issue to the assignee.

In the past year or two the Courts have held that when a patent is granted it vests in the assignee, although it may be issued in the name of the inventor, and it is not essential to such vesting of the title that the assignment shall contain a request to the Commissioner of Patents that the patent issue to the assignee. These decisions are Wende vs. Horine, reported in 191 Federal Reporter, page 620; and Hildreth vs. Auerbach et al, reported in 200 Federal Reporter, page 972.

The Office, however, has not followed these decisions in the granting of patents owing to Rule 26 which has not been abrogated or modified. The rule provides that

"the patent will, *upon request of the applicant, embodied in the assignment,* issue to the assignee; and if the assignee hold an undivided part interest, the patent will, upon like request, issue jointly to the inventor and the assignee; but the assignment in either case must first have been entered of record, and at a date not later than the date of the payment of the final fee."

Such request in an assignment, to issue to the assignee, or the lack of such request, is an important matter in the prosecution of an application where the assignee intervenes in such prosecution.

The assignee of an entire interest in the invention may not revoke a power of attorney given by the applicant and appoint one of his own selection where the assignment does not request that the patent issue to said assignee. Such an assignment conveys merely an equitable and not a legal title. This holding is in the Commissioner's decision *Ex Parte* Stanford, Dec. 1908, 138 O. G., 527.

In the decision *In Re* Wetmore and Jenner, 155 O. G., 799 the administratrix of a deceased applicant was held to be entitled to control the prosecution of the application to the exclusion of the assignee, where the assignment did not contain a request that the patent issue to the assignee, notwithstanding the fact that the petition accompanying the application contained such a request.

FORM OF ASSIGNMENT.

A great many assignments are filled out on printed forms, and frequently an instrument is presented in which it is attempted to transfer a pending application by altering a blank form intended for the transfer of a patent, and some of such attempts in changing the phraseology of the writing, or in filling blanks, are ludicrous. In the Office Rules there are certain suggestive forms for assignments, but even these are not properly followed, and there appear of record among the assignment records some instruments that if taken into court, would receive little consideration. Inasmuch as the law does not provide a particular form for assignments, the Office cannot control the same, and has no authority to withhold them from record, or criticise writings except as a matter of courtesy, which sometimes is resented.

Of course in assignments of applications where there is a request to issue, the Commissioner of Patents is authorized to withhold the assignment from record and require certain identification or the correction of informalities therein, inasmuch as he is requested to act thereon in the issuance of the patent; but in deeds for patents he has no such authority, and consequently very many instruments are spread upon the assignment records of the Patent Office which are utterly worthless, owing to lack of identification of patents affected.

CONFLICTING ASSIGNMENTS.

Where there are conflicting legal assignments of record under a particular application, the senior assignee is, under the practice of the Office, allowed to intervene in the prosecution of the application, (Sparkes v. Small, 113 O. G. 1970) but should such case terminate in a patent said patent would issue to the inventor "his heirs or assigns," that the courts might determine between the contesting parties the ownership of the patent (*In Re* Moller, 108 O. G., 2144). It is therefore questionable as to the proper practice of recording assignments of pending applications.

RELATION OF ASSIGNMENTS TO APPLICATIONS.

What then is the relation existing between the assignment records and the examination of applications and the granting of patents thereon? The law, the rules of practice and many decisions make such relationship very close and intimate. Section 4895 Revised Statutes provides that "patents may be granted and issued or reissued to the assignee of the inventor or discoverer; but the assignment must first be entered of record in the Patent Office," and this section taken in connection with Section 4916 of the Revised Statutes, providing for the reissuing of letters patent "to the patentee, or in case of his death or of an assignment of the whole or any undivided part of the original patent, then to his executors, administrators, or assigns for the unexpired part of the term of the original patent" necessitates a careful examination of the assignment records in the prosecution of applications, and especially of reissue applications. These two statutes devolve upon the Office the responsibility

of issuing patents and re-issuing patents to the legal representatives, or to the assigns of the inventor.

ABSTRACTS OF TITLE.

Rule 86 of the Rules of Practice requires that a re-issue application must be accompanied by "an order for a certified copy of the abstract of title to be placed in the file, giving the names of all assignees owning an undivided interest in the patent. In case the application be made by the inventor it must be accompanied by the written assent of such assignees." If there be not filed with the application an abstract of title as required by Rule 86 the first action in the examination of the reissue application should therefore be to require the filing of such abstract, to ascertain if there be an assignee in the patent, and to require the assent of such assignee if the same be not already in the petition.

Frequently when reissues are granted and the files are forwarded to the Assignment Division for final examination and for the purpose of continuing the abstract of title to date, it is noted that the abstract of title has never been ordered nor filed with the application, also that the assent of the assignee is not in the file, necessitating the return of the application to the examiner and further delay, that these requirements may be fulfilled.

ADMINISTRATORS AND EXECUTORS.

Prior to 1909 when an inventor died during the pendency of his application, the practice required that a certified copy of Letters of Administration or Letters Testamentary be filed in each of decedent's applications pending before the Office. On January 20th, 1909 Order 1792 (reported in 138 O. G., 970) was issued requiring the filing in the application *or the recording in the assignment records* of the authority of the administrator or executor to intervene in the prosecution of the application, such authority being evidenced by a certified copy of Letters of Administration or Letters Testamentary; and for uniformity of practice the Chief of the Assignment Division was charged with the duty of passing upon the sufficiency of such authority.

On October 22nd, 1909, the above order was modified by Order 1827 (reported in 148 O. G., 837) requiring that such authority " shall *in all cases* be *recorded* in the assignment records of this Office," and also providing that a reference to this record should be placed in each application involved.

Under date of January 13th, 1910, Order 1838 (reported in 151 O. G., 453) was issued, modifying the two previous orders, providing that "the *examiner* will require the recording in the Assignment Division of a certificate of such appointment, or a certified copy of Letters Testamentary or Letters of Administration in each case before finally passing the case to issue;" and under date of October 14th, 1913, Order 2076 (reported in 195 O. G., 543) provided that the "allowance of the application will not be withheld nor the application withdrawn from issue if the executor or administrator does not intervene; modifying Order 1838.

It will be apparent that when an executor or administrator intervenes in the prosecution of an application, or when it is suggested that the inventor is dead, the assignment records should be examined and if the proper authority of the representative of decedent be not found the examiner should require the recording of the proper authority of such representative, so that the patent when issued would issue to the executor or administrator, or his assigns, and that such representative might ratify the actions in the case by the attorney after the death of the applicant.

DIVISIONAL APPLICATIONS, ETC.

Reissue applications, renewal applications, divisional applications, refiled applications, substitute applications and continuation applications are all controlled in ownership by the assignment of the original or parent case. As far back as 1887 it was established by the Court decision Puetz vs. Bransford, 39 O. G., 1083, that:

> "An assignment before application for letters patent 'of the full and exclusive right to the invention as fully set forth in the specification' car-

ries with it whatever patents may issue upon the divisions of the application required by the rules of the Patent Office."

If a parent case be assigned the renewal, refiled, substitute or continuation applications are also affected by said assignment, as the invention is owned by the assignee of the parent case. In the case of renewals the original file wrapper in each case is used, and as the assignee's name appears indorsed thereon it is only necessary to verify such indorsement with the assignment records; but in the case of divisional applications an order was issued November 25th, 1896, (Order 1111) which is applicable also to refiled applications, substitute applications and continued applications, providing that:

> "The examiner will make an entry in red ink on the face of the file wrapper * * * of the serial number and filing date of the original application. The heading of the printed specification and the record of assignments will conform to this entry."

This order was reiterated substantially (providing for a different place on the file wrapper for such entry) by Order 1832 on December 3rd, 1909. The observance of this order is comparatively uniform throughout the Office, but occasionally an application is not so indorsed, and in one case lately a Certificate of Correction was necessitated by the failure of the examiner to make the proper indorsement of the parent case upon the file wrapper of the divisional case, and in consequence thereof the patent issued to the inventor when it should have issued to the assignee of record in the parent case.

The nomenclature of the different applications that "have been carved out of" the original case or contain only the same invention, has become somewhat confused owing to the decision in 1910 *Ex Parte* Kruse, 157 O. G., 208, which is the foundation for designating an application as a "continuation *in part*:"

> "A subsequent application may, however, be a continuation of an older application, when the two have common subject matter, even though the later application may contain matter which is a departure from that which is described in the

> original application. In such cases the applicant is entitled to the date of the original application for the subject matter which is common to both, and to the date of the latter application only for that matter which has been disclosed therein for the first time."

The question of ownership or title was not under consideration when this decision was made, but it will be evident that an application which is a "continuation in part" and contains matter not common to both cases, would not be so affected by an assignment of the parent case as to warrant the Office in issuing a patent upon such an application to the assignee. It is found that a number of such "continuation in part" applications are erroneously designated "continuations" only, and if such error be made in the indorsement on the file it is particularly misleading in the issuance of the patent. Care should be particularly exercised to recite the fact whether the application be a continuation, or only a "continuation *in part.*" In fact it is believed that an indorsement on the file is unnecessary in the case of a "continuation in part," such notation being made in the preamble to the specification only, and therefore should not appear in the heading to the printed patent, nor have any consideration regarding the title thereto, in the issuance of the patent.

Therefore, it is most earnestly urged that the examiner acquaint himself with the assignment records, especially when such records have bearing upon the prosecution of the application under consideration, and any aid necessary for the examination of the records will be gladly furnished, by the Assignment Division.